



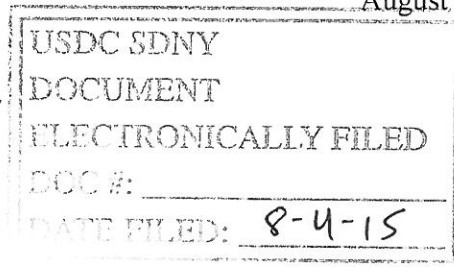
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
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August 3, 2015

By ECF

The Honorable Paul A. Crotty
United States District Judge
United States Courthouse
500 Pearl St.
New York, NY 10007-1312



SO ORDERED: 8-4-15

Paul A. Crotty

HON. PAULA A. CROTTY
UNITED STATES DISTRICT JUDGE

Re: SEC v. Sky Capital LLC et al., 09 Civ. 6129 (SDNY)(PAC)

Dear Judge Crotty:

I am counsel for the Plaintiff Securities and Exchange Commission ("Commission") in the above-captioned action. In accordance with the Court's June 3, 2015 Order, I write to provide an additional update concerning the status of the remaining defendants in this case.

Commission counsel has reached settlement agreements-in-principle (subject to Commission authorization) with all defendants in this case, except Ross Mandell and Sky Capital. The Commission has had difficulty communicating with Mandell due to his incarceration. However, Mandell recently informed us (through temporary counsel) that he is unwilling to settle on terms that we can recommend to the Commission. Mandell's Answer to the Commission's complaint is due today. Accordingly, the Commission will proceed to litigate this matter in response to Mandell's Answer (or failure to answer).

The Commission also has been unable to reach a settlement with Sky Capital. Sky Capital is not represented by counsel, has no registered agent for service, and appears to have no ongoing business, address, or assets. Accordingly, we are in the process of considering whether the Commission should continue to pursue its claims against Sky Capital.

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✓ Commission counsel is also in process of seeking Commission approval of its settlement agreements-in-principle with the other five defendants in this case. We will provide the Court with an additional status update concerning all defendants within 60 days.

Respectfully submitted,



Shannon Keyes
Senior Counsel

cc: Sky Capital, Ross Mandell (*pro se*), Adam Harrington (*pro se*), Stephen Shea (*pro se*), Arn Wilson (*pro se*), Robert Grabowski (*pro se*) and Michael Passaro (*pro se*)